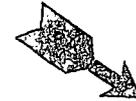


El Paso Natural Gas Company

1960 OCT 13 AM 8:53 El Paso, Texas

October 11, 1960



ADDRESS REPLY TO:
POST OFFICE BOX 997
FARMINGTON, NEW MEXICO

Mauro

Mr. A. L. Porter
Oil Conservation Commission
P. O. Box 1901
Santa Fe, New Mexico

Re: Application of Aztec Oil & Gas Company for Administrative Approval of an Exception to Rule 6 (a) of Order R-565-C approving a Non-Standard Production Unit in the Fulcher Kutz-Pictured Cliffs Gas Pool and an exception to Rule 1 (a) of Order R-1287 approving a Non-Standard Unit in an undesignated Dakota Gas Area, San Juan County, New Mexico

Dear Sir:

This is to advise you that El Paso Natural Gas Company as owner of offset acreage has no objection to the captioned Application which is being made by Aztec Oil and Gas Company.

Very truly yours,

Harry Gevertz
Area Landman
Geological & Exploration
Department

HG:JAA:bjs

cc: Aztec Oil and Gas Company
920 Mercantile Securities Building
Dallas 1, Texas

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS, TEXAS

September 23, 1960

SEP 28 PM 1:23

MAIN OFFICE OCC
New Oct 28

*NWU - 366
(Pictured Cliffs)
Waiting
Good*

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. L. Porter, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application of Aztec Oil & Gas Company for Administrative Approval of an Exception to Rule 6(a) of Order R-565-C approving a Non-Standard Production Unit in the Fulcher Kutz-Pictured Cliffs Gas Pool and an exception to Rule 1(a) of Order R-1287 approving a Non-Standard Unit in an undesignated Dakota Gas Area, San Juan County, New Mexico

Dear Mr. Porter:

Pursuant to Rule 6(b) of Order R-565-C and to Rule 1(b) of Order R-1287, Aztec Oil & Gas Company hereby submits its application for administrative approval of non-standard gas units consisting of Lots 1 and 2 and S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 5, T-27-N, R-9-W, N.M.P.M., San Juan County, New Mexico with respect to production from the Pictured Cliffs formation and the E $\frac{1}{2}$ of Section 5, T-27-N, R-9-W, N.M.P.M., San Juan County, New Mexico with respect to production from the Dakota formation. Applicant further requests that an allowable be granted for production from the Pictured Cliffs formation in the ratio that the area of the non-standard proration unit bears to a proration unit of 160 acres; i.e. 149.07/160.

In support of this request for non-standard units, Applicant respectfully states and shows the following:

1. The unorthodox size of the non-standard units is due to a variation in the legal sub-divisions of the United States Public Land Survey.

2. The proposed non-standard units consist of contiguous quarter-quarter sections and/or lots and lie wholly within a single governmental section.

3. The entire non-standard units may reasonably be presumed to be productive of gas.

4. The length or width of the non-standard units do not exceed five thousand two hundred and eighty feet (5280').

5. Applicant owns all of the acreage within the section on which the proposed non-standard units are located. El Paso Natural Gas Company is the only Operator of a lease offsetting such lands, as indicated on Exhibit "A" attached hereto and made a part hereof, and has been furnished a copy of this application by certified mail, along with a request that it waive notice and hearing.

6. The location of the well to which the subject non-standard units will be dedicated and which has been designated the Hanks #18-D is eight hundred and ten feet (810') from the North line and one thousand eight hundred and forty feet (1840') from the East line of Section 5.

Applicant respectfully requests that the Secretary-Director of the Commission, by administrative approval, grant exception, as above provided, without notice and hearing, approving the non-standard units set forth above.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

T-27-N—R-9-W

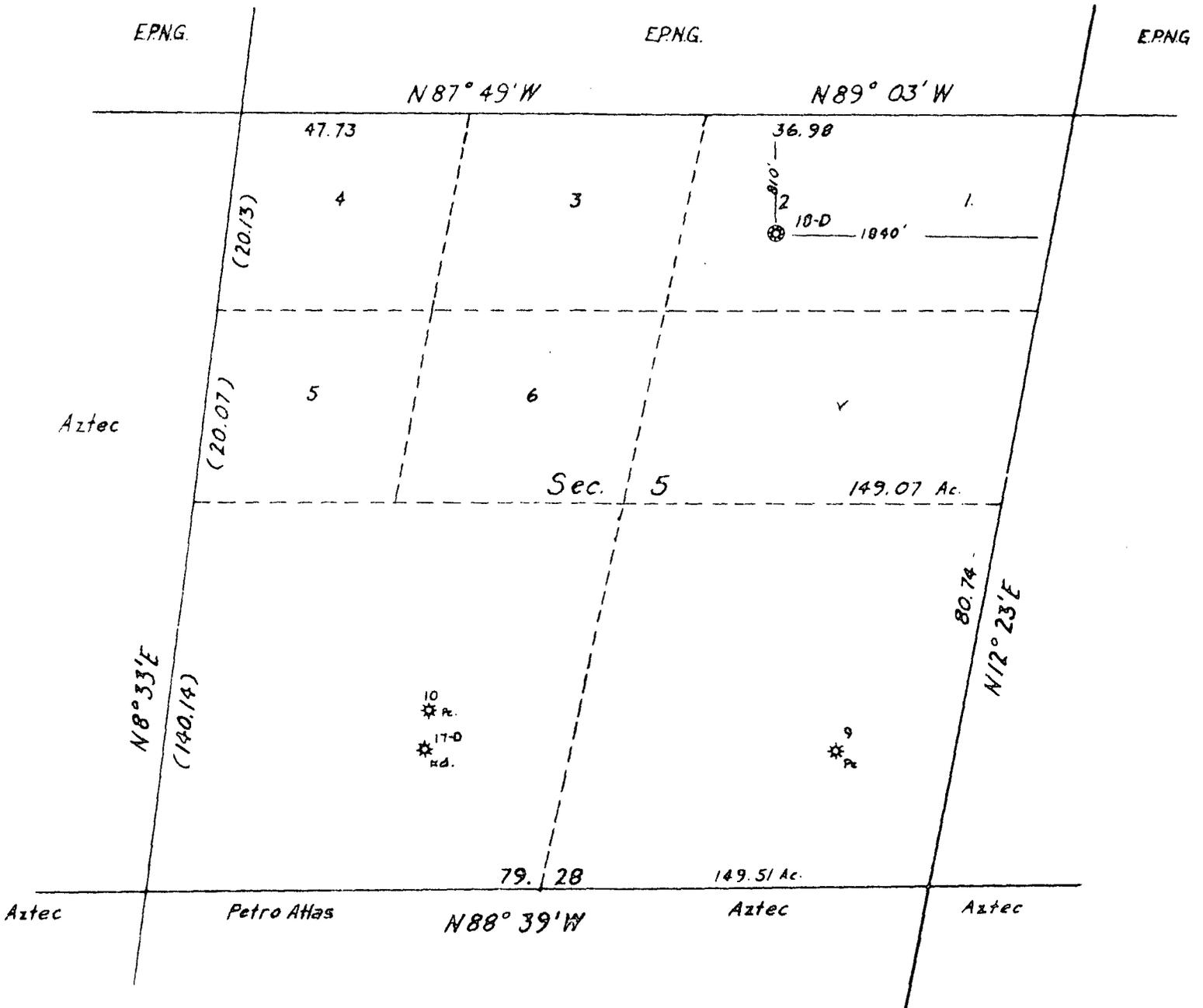


Exhibit "A"

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING

DALLAS 1, TEXAS

September 26, 1960

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

El Paso Natural Gas Company
P. O. Box 997
Farmington, New Mexico

Re: Application for Administrative
Approval of a Non-Standard
Production Unit for the Aztec-
Hanks #18-D in Fulcher Kutz-
Pictured Cliffs Gas Pool, San
Juan County, New Mexico

Gentlemen:

Enclosed for your information and approval is one copy of
Aztec's captioned application to the New Mexico Oil Conservation
Commission.

In order to expedite approval of this application, we would
appreciate your forwarding your consent in the form of a waiver
directly to the New Mexico Oil Conservation Commission, furnishing
us a copy of such approval.

Yours very truly,

Kenneth A. Swanson

KAS/et
Enclosure